

United States Senate
WASHINGTON, DC 20510

637

Spectrum
Incentive
Auctions

June 24, 2015

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th St. SW
Washington, DC 20554

Dear Chairman Wheeler:

As the Commission finalizes rules for the upcoming incentive auction, we write to express our continuing support for increasing competition in the wireless marketplace and ensuring companies of all sizes enjoy access to spectrum.

While raising revenue is an important goal for the upcoming auction, it is not the only goal. As you have stated: "Consumers are best served when numerous service providers compete. Competition lowers prices, improves equality, and increases innovation."

Today, approximately three quarters of the highly desirable spectrum below 1 GHz is held by AT&T and Verizon. Without low-band spectrum, wireless providers face network difficulties, including obstacles to penetrating walls and signals unable to travel greater distances.

Understanding the perils of spectrum concentration, we worked hard to ensure the Middle Class Tax Relief and Job Creation Act of 2012 allowed the Federal Communications Commission (FCC) to meet its statutory obligation to ensure competition in the wireless marketplace and avoid an excessive concentration of licenses through auction-specific rules. This auction represents an historic opportunity to decrease this concentration of low-band spectrum.

The Department of Justice (DOJ) agrees. In multiple filings and letters to the FCC, DOJ's Antitrust Division has stated its support for clear and meaningful rules that make more low-frequency spectrum available to nationwide carriers. DOJ wrote in 2014, "[it is] the Department's view that rules that ensure smaller nationwide wireless networks, which currently lack substantial low-frequency spectrum, have an opportunity to acquire such spectrum could improve the competitive dynamic in the wireless market and benefit consumers."

We commend you for acting consistently with DOJ's advice and this important Congressional intent by recognizing the need to include a "reserved" block of spectrum as part of the incentive auction. This reserve represents a crucial way to achieve greater competition in the wireless marketplace. As the Commission moves towards a final vote on the incentive auction order, the FCC should continue to evaluate its auction rules to ensure they prevent excessive concentration of spectrum among the nation's largest wireless providers.

More competition means greater consumer choice and expedited innovation. We encourage you to continue to make competition your priority moving forward with this historic auction.

Sincerely,



Edward J. Markey
United States Senator



Al Franken
United States Senator



Richard Blumenthal
United States Senator



Maria Cantwell
United States Senator



Ron Wyden
United States Senator



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

September 1, 2015

The Honorable Richard Blumenthal
United States Senate
702 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Blumenthal:

Thank you for your letter expressing your continuing support for increasing competition in the wireless marketplace. I share your view that the upcoming incentive auction is a unique opportunity to promote greater competition and choice by making additional low-band spectrum available for wireless broadband.

One of our priorities for the Incentive Auction is to assure that competitive providers have a meaningful opportunity to access low-band spectrum. This is particularly important in rural areas, where low-band spectrum is necessary if competitors are to fill in their coverage gaps, and in urban areas, where low-band spectrum allows more reliable in-building coverage. I agree that facilitating access to low-band spectrum by multiple providers is important to preserve and promote competition in the mobile wireless marketplace, which brings consumers more choices, lower prices, and higher quality services.

For these reasons, as you note, the Commission has established a groundbreaking spectrum reserve for competitors in every market nationwide. The market-based spectrum reserve for the incentive auction will facilitate an opportunity for mobile wireless providers that lack significant amounts of low-band spectrum to acquire such spectrum. This reserve is designed to promote competition as well as ensure that all bidders bear a fair share of the value of the spectrum for the public and the costs of broadcaster relocation. I share your goal that the Incentive Auction should help ensure that consumers will benefit directly from increased competition in all parts of the country – rural, suburban and urban areas included. Toward that end, I believe we struck the right balance when we set this first-ever reserve at up to 30 MHz. I am happy to report that this month, the Commission both affirmed the establishment of the reserve, and set a cap on the amount of reserve spectrum that any entity could obtain in markets with a population of less than 500,000.

Thank you for your ongoing interest in and support of our efforts to promote competition and choice in mobile broadband. I look forward to working with you toward our mutual goal of a successful incentive auction in early 2016 for the benefit of America's consumers.

Sincerely,

Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

September 1, 2015

The Honorable Maria Cantwell
United States Senate
311 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Cantwell:

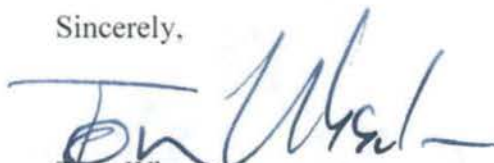
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Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

September 1, 2015

The Honorable Al Franken
United States Senate
309 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Franken:

Thank you for your letter expressing your continuing support for increasing competition in the wireless marketplace. I share your view that the upcoming incentive auction is a unique opportunity to promote greater competition and choice by making additional low-band spectrum available for wireless broadband.

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Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

September 1, 2015

The Honorable Edward J. Markey
United States Senate
218 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Markey:

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Sincerely,

A handwritten signature in blue ink, which appears to read "Tom Wheeler", is written over a faint, larger version of the same signature.

Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

September 1, 2015

The Honorable Ron Wyden
United States Senate
223 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Wyden:

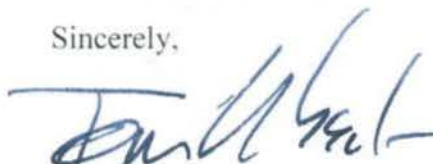
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Tom Wheeler